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SENSITIVE  
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SUBJECT: MINISTER OF MINES SHARES VIEWS ON  
OM GROUP AND MINING CONTACT REVIEW

REF: STATE 88688

11. (SBU) Summary: DCM and Econcouns delivered reftel points to Minister of Mines Martin Kabwelulu on September 3, highlighting the need for a transparent mining review process and fair treatment for U.S. investors including OM Group. Minister Kabwelulu provided an overview of the mining review process to date, but was unfamiliar with OM Group and claims he is unaware of any American participation in the joint venture. End Summary.

12. (SBU) Kabwelulu told DCM and Econcouns that the GDRC was ensuring the transparency of the mining contract review process, citing as an example the recently published Terms of Reference for the contract renegotiations. He stated that all companies, without regard to nationality, would be treated fairly. Completion of all negotiations remains scheduled for September 30. Although the nine-member panel originally charged with overseeing the contract review process remains ostensibly in place, Kabwelulu stated that many of the Ministerial members were otherwise occupied and that the Prime Minister had tasked him with lead responsibility for the contract renegotiations. (Comment: Kabwelulu met later on September 3 with representatives of the mining companies to discuss in more detail the renegotiation process. Neither OM Group nor a representative for the JV participated in the meeting. Post will report on the meeting septel. End Comment.)

13. (SBU) While Kabwelulu was clearly very familiar with U.S. investor Freeport-McMoRan, he stated he was unaware of any American investors in the OM Group joint venture. When emboffs explained OM's relationship with Georges Forrest, however, acknowledged OM's existence, and stated he thought it was a Belgian entity (not surprising as Forrest is Belgian). DCM left a copy of the points as a non-paper for the Minister.

14. (SBU) Comment: Given the logistical constraints on travel within the DRC, Post has not yet been able to visit OM Group's project site in Lubumbashi, but will plan a visit as soon as possible in coordination with company representatives. In addition, Post will continue to closely monitor the contract renegotiation process, with a focus on ensuring a transparent process and fair treatment for U.S. investors. While the publication of the Terms of Reference and Kabwelulu's willingness to discuss the process in an open forum with investors is a positive step, the process for the renegotiation of the contacts remains murky. End Comment.

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